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# EXTRABUDGETARY RESOURCES REQUIREMENTS FOR THE BIENNIUM 1990-1991

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# EXTRABUDGETARY RESOURCES REQUIREMENTS FOR THE BIENNIUM 1990-1991

## I. INTRODUCTION

1. This report for the seventh Pledging Conference on the United Nations Trust Fund for African Development (UNTFAD) has been prepared with the view to providing the general principles and priorities that will guide the programming of UNTFAD resources for the 1990-1991 biennium and beyond.

2. The purpose of the organization of the UNTFAD Pledging Conference and the origins of UNTFAD have been explained in the successive reports related to previous conferences. This report will, therefore, not go into the details of the raison d'être of UNTFAD, but will concentrate on the areas of priority on which the ECA secretariat intends to focus during 1990-1991 in the programming and utilization of the contributions that will be made by both African and non-African countries in the context of this Pledging Conference. It is necessary, however, for the purpose of a clearer understanding of the importance of UNTFAD to recapitulate some of the principles underscoring it.

3. Since its inception, UNTFAD has evolved as a very useful and important fund for supporting development activities in the African region under the auspices of ECA.

4. In an era of increasing budgetary constraint and diminishing aid resources (negative net capital inflows), UNTFAD provides a form of subregional insurance to fill resource gaps or provide the necessary balance for promoting the development of strategic and sensitive sectors through a subregional or regional approach. UNTFAD also facilitates ECA's ability to respond in a timely manner to the dynamic circumstances of Africa's development process.

## II. THE GENERAL ROLE OF UNTFAD

5. As indicated earlier, UNTFAD has evolved as a vital resource base for the financial supplementation of development efforts in some strategic areas of the operational programmes of ECA mainly funded under extrabudgetary resources, i.e., those mobilized by the ECA secretariat from bilateral and multilateral donors in order to undertake operational activities for which there is no or limited provision in the United Nations regular budget.

6. The financial austerity of the United Nations continues with the result that there is a greater need for additional extrabudgetary resources so that ECA's overall programme objectives should not be severely hampered. ECA has received and continues to receive extrabudgetary support through bilateral negotiations and agreements with international donors and assistance from multilateral funding sources, notably UNDP and UNFPA.

7. Most importantly, however, the UNTFAD resources have constituted a significant funding instrument for ECA's operational activities. The Progress report on the implementation of UNTFAD-funded projects 1988-1989 (document E/ECA/CM.15/35) shows that this funding facility has enabled development

projects to be implemented in such vital areas as agriculture, industry, natural resources, information and documentation development, as well as activities of the ECA Multinational Programming and Operational Centres (MULPOCs).

8. In making pledges to UNTFAD, some countries specify the sectors in which their contributions should be utilized. The resources are then considered as UNTFAD specific fund, as opposed to the UNTFAD general fund when choice of sectors in which the contribution is to be used is left to ECA.

## III. PRIORITY AREAS OF CONCENTRATION - A NEW FOCUS

9. In general, UNTFAD has been used for diverse operational programmes and projects within the broad framework of ECA work programmes and priorities, as well as for the three basic development programmes for Africa, viz., the Lagos Plan of Action (LPA), Africa's Priority Programme for Economic Recovery (APPER) and the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD).

10. APPER/UN-PAARED has reached its mid-term, but the achievements below are so far expectations. The needs are many, far exceeding the resources available to meet them. UNTFAD is only a small facet of the financial resources required to assist in this development process.

11. While the use of UNTFAD remains within the broad targeted strategy of LPA, APPER and the UN-PAARED, there has been an increasing need to focus on the most critical areas and sectors. ECA becoming an executing agency for technical co-operation activities in line with its multisectoral orientation has led to many valuable lessons being learnt. It is, however, still faced with the challenges of dealing with many complex and interrelated development issues and sectors, in the face of limited regular budget resources as a result of the United Nations financial crisis.

12. This situation has naturally induced a process of constant review on effective ways of matching the limited resources to the multi-faceted operational assistance needs of Africa. The approach to be adopted, therefore, for the use of UNTFAD resources during 1990-1991 would be one of a limited concentration on the following critical areas and sectors:

(a) Strategic sectors that will promote structural change and transformation in the African economy and in particular, bring about technological change and development. In this connection, the programmes and projects to be developed would focus mainly but not exclusively on:

(i) developing subregional technological research and application capabilities for enhancing food production and food security, particularly in the staples;

(ii) exploration and exploitation of surface and ground water resources for agricultural use especially in the arid and semi-arid zones;

(iii) strengthening of marketing and distribution channels to increase access to food;

(iv) developing capabilities and technologies for food processing and storage;

(v) developing early-warning systems to control locust and grasshopper outbreaks;

(vi) development of indigenous factor based industries in particular, agro-industries;

(vii) strengthening of capabilities to enhance the production of factor inputs and for engineering design and manufacturing;

(viii) development of productive capacities on a subregional or regional scale;

(b) Building up of the capacities and capabilities of strategic institutions. Assistance on this area will include:

(i) equipping the workshops and laboratories of ECA-sponsored institutions and assisting them to overcome their teething problems; especially those following the withdrawal of UNDP assistance, as from the Eastern and Southern African Mineral Resources Development Centre (ESAMRDC);

(ii) improving the operational capacity of the African Mother Centre based in Dakar, Senegal for the demonstration and replication of technologies suitable to the problems and needs of the rural population in Africa. It should be recalled that this particular Centre was established with a grant provided by the Indian Government for equipment and training;

(c) Specific MULPOC projects to increase subregional co-operation and integration. In this connection, each MULPOC has been requested to propose one or two projects;

(d) Joint subregional economic integration projects between ECA and intergovernmental organizations, with co-financing resources from the latter, including activities designed to achieve greater harmonization in the operational programmes of the ECA/MULPOCs and the subregional intergovernmental organizations and economic groupings;

(e) Promotion of the accelerated and co-ordinated development of the trans-African highways through the establishment and operation of a single Trans-African Highway Bureau within the ECA secretariat;

(f) Promotion of domestic and intra-African trade through measures to enhance greater knowledge and mutual awareness among business enterprises in Africa on their respective products, services and trade and marketing opportunities;

(g) Development of manpower capabilities as a central thrust in the designated areas of concentration.

13. Specific programmes and projects in the above fields will be developed by ECA for implementation. These will be the subject of comprehensive analysis and appraisal of the Project Analysis and Appraisal Committee, a special internal body established within the ECA secretariat to enhance the identification and design of ECA's operational activities funded from extrabudgetary resources including UNTFAD.

## IV. CONCLUSIONS AND RECOMMENDATIONS

14. Given the overwhelming problems facing the African economy and the zero growth rate of the United Nations regular budget, ECA must mobilize ever increasing extrabudgetary resources.

15. The international community in general has responded to this need by continuing to provide grants for operational activities. In spite of very limited financial resources, the African countries have shown remarkable collective interest and commitment to UNTFAD by making contributions at each pledging conference. It is essential that such commitment should not be allowed to decline, given the acknowledgement by the African countries themselves that the primary responsibility for their development sits squarely on their own shoulders. It is, therefore, expected that the seventh Pledging Conference of UNTFAD will witness substantial and generous contributions by African Governments, supported by the non-African community, so that meaningful medium- and large-scale operational activities can be undertaken during 1990-1991.

16. The areas identified in this report as the main focus of UNTFAD activities during 1990-1991 will be furtner discussed at the Pledging Conference.